

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

Adv. Pro. No. 08-01789 (SMB)

SIPA LIQUIDATION

(Substantively Consolidated)

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the Liquidation
of Bernard L. Madoff Investment Securities LLC,

Plaintiff,

DAVID GROSS and IRMA GROSS,

Defendants.

Adv. Pro. No. 10-04667 (SMB)

**ORDER VACATING ORDER ENFORCING AUTOMATIC STAY AND ISSUING
PRELIMINARY INJUNCTION**

Upon consideration of the Order to Show Cause (the “Order to Show Cause”) entered by this Court on February 26, 2019 directing that Irving H. Picard, trustee for the substantively consolidated liquidation of the business of Bernard L. Madoff Investment Securities LLC (“BLMIS”) under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa *et seq.* and the estate of Bernard L. Madoff, individually (the “Trustee”) show cause why the Court’s Order Enforcing Automatic Stay and Issuing Preliminary Injunction, dated December 4, 2013 (the “Injunction Order”) should not be reconsidered; the Response and Memorandum of Law

Addressing Issues Presented in Order to Show Cause filed by the Trustee on March 20, 2019; the accompanying Declaration of Richard G. Spring (“Spring”), dated March 19, 2019; all of the pleadings and prior proceedings in this action; the hearing held on March 27, 2019; and for the reasons set forth on the record of the March 27, 2019 hearing:

IT IS HEREBY ORDERED:

A. The Injunction Order that preliminarily enjoined the FINRA Arbitration is hereby vacated.

B. The FINRA Arbitration¹, which seeks monetary relief against Spring and the other respondents based on an asserted fraudulent misrepresentation made to David Gross in connection with his investment in BLMIS, or as an asserted inducement to his investment in BLMIS, does not violate the automatic stay provisions of Bankruptcy Code § 362(a).

C. The award of continued injunctive relief staying the FINRA Arbitration is inappropriate because the FINRA Arbitration does not cause an immediate adverse economic consequence for, or irreparable harm to, the BLMIS Estate.

D. This Court shall retain exclusive jurisdiction over the implementation and interpretation of this Order.

Dated: New York, New York
April 1, 2019

/s/ STUART M. BERNSTEIN
HONORABLE B STUART M. BERNSTEIN
UNITED STATES BANKRUPTCY JUDGE

¹ All terms not otherwise defined herein will be given the meaning ascribed to them in the Order to Show Cause.

TO:

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